MONTANA



THE WORLD'S HIGHEST QUALITY AR RIFLES.



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FIREARM FRIENDLY の1 い1

OFFICE OF THE GOVERNOR STATE OF MONTANA

BRIAN SCHWEITZER GOVERNOR



JOHN BOHLINGER

LT. GOVERNOR

September 2012

For generations, hunting and shooting sports have been an important part of Montana's cultural legacy and our love of the outdoors is passed down through generations. We are blessed to have some of the world's best places to hunt and the public lands to do so and you can be certain we'll protect both for generations to come.

Our support for second amendment rights and unparalleled quality of life, combined with our business friendly tax climate and a rapidly growing economy, make Montana the perfect location for a firearms business. On behalf of all Montanans, I invite you to take a look at all the state has to offer sportsmen and your industry. You could be here, building your business, living your dream!

My Office of Economic Development is available to assist you in making your move to Montana:

Governor's Office of Economic Development PO Box 200801 Helena, MT 59620-0801 (406) 444-5634 www.business@mt.gov

We look forward to welcoming you to Big Sky Country!

Sincerely,

BRIAN SCHWEITZER Governor



2. INTRODUCTION TO MONTANA
3. FIREARM COMPANIES
4. MONTANA FIREARMS FREEDOM ACT
5. TAX INCENTIVES
6. BUSINESS FUNDING
7. INFRASTRUCTURE
8. ACCESS AND TRANSPORTATION

1. GOVERNOR'S MESSAGE

INTRODUCTION TO MONTANA

Lifestyle and a skilled educated workforce is one of the reasons Montana continues to attract entrepreneurs, business owners, and manufactures. Montana's relaxed atmosphere makes it easy for once tourists and newcomers to raise a family, build a career, or retire here. Truly a treasure Montana's unique communities offer everything from diversified cuisine, art and culture to nationally ranked outdoor recreational activities.

Historically guns have always been a part of Montana's legacy. Eighty five years before Lewis and Clark arrived history placed the first gun in native Montanan hands in 1720. Explorers like John Colter and Jim Bridger used guns for survival, and hunting was a way of life. This still rings true for many Montanans who use game meat to supplement grocery purchases. Today Montana Sportsmen spend over \$700 million each year on hunting and fishing.

Montana's gun laws are friendly to both firearms manufacturers and owners with legislation such as the Montana Firearms Freedom Act. This act exempts firearms manufactured and remaining in Montana from federal regulation.

Montana's pro-business philosophy and incentives have bolstered economic development, these incentives include tax benefits, financing, training, and site selection services. According to the tax foundation a nonpartisan tax research group based in Washington, D.C. Montana ranks 8th nationally for a pro-business tax climate for 2012.

Work-hard, play-hard is a common Montana motto - the landscape for a playground - business owners, employees, and employers alike can take advantage of time spent outside of work. The allure of Montana is the unmatched landscape, scenery, wildlife and recreational activities that are experienced on an everyday basis. This natural infrastructure eliminates long commutes and planning - because a perfect picture of nature is just outside the front door.

MONTANA'S GUN LEGACY
MONTANA'S GUN LEGACY

A DESCRIPTION OF THE POPULATION OF TH

Montana has a rich history of hunting and is considered to have some of the best big game hunting in North America. A smaller population, clean air and water, and diverse landscapes make Montana an ideal place for both wildlife and hunters.

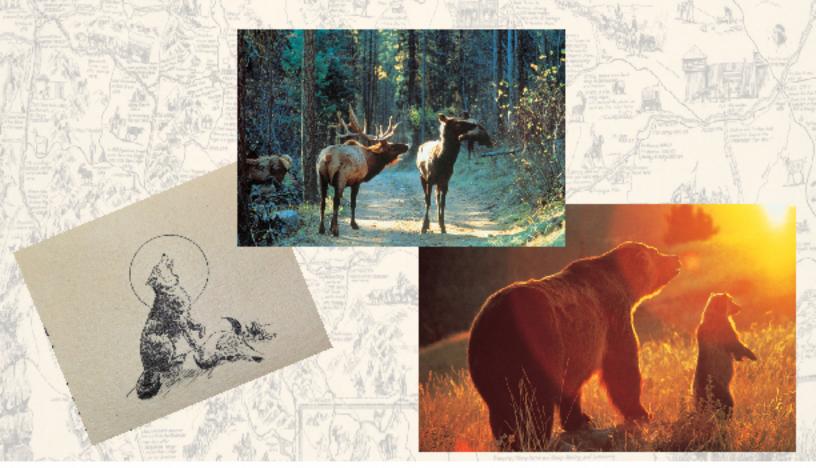
For many Montanans, hunting is a way of life where game meat supplements weekly groceries. Montana has more hunters per capita than any other US state! Likewise, visitors flock to the abundant game in Montana, infusing millions into Montana's economy

Residents and visitors can find a diversity of game species in Montana. White-tailed deer inhabit low elevation agricultural areas while bighorn sheep and mountain goats reside in wilderness areas above timberline. Elk, which are at historic population highs, continue to expand into a variety of forest, grass and and agricultural habitat. Combine this diversity of species, with long hunting seasons and plenty of open space to hunt and Montana is a hunter's paradise.

A state law enacted in 1991 sets aside the third week of September as Montana's official week to celebrate "heritage of hunting" During this week, all Montanans are urged to: (1) reflect on hunting as an expression of our culture and heritage; (2) acknowledge that it is our community of sportsmen, sportswomen, and hunters who have made the greatest contributions to the establishment of current game animal populations; and (3) celebrate this culture and heritage in all lawful ways.

Montana's Licensed Game for 2012

Antelope, Big Horn sheep, Bison, Black Bear, Deer, Elk, Moose, Waterfowl, Mountain Goat, Mountain Lion, Turkey, Migratory Game Birds and Wolf



FIREARM COMPANIES

Montana

1	Alpine Gun Works	Columbia Falls
2	American Gun Company	Kalispell
3	Bitterroot Valley Ammunition & Components	Florence
4	Blackhawk Products Group	Bozeman
5	BlackOps Technologies LLC	Columbia Falls
6	Cooper Firearms of Montana	Stevensville
7	Defiance	Columbia Falls
8	Falcon Gun Finishing	Columbia Falls
9	Gentry Custom LLC	Belgrade
10	Grizzly Custom Guns	Columbia Falls
11	Kilimanjaro Rifles Inc.	Kalispell
12	Kimber	Kalispell
13	KT Ordnance	Dillon
14	Lilja Precision Rifle Barrels	Plains
15	Little Sharps Rifle MFG	Big Sandy
16	McGowen Precision Barrels LLC	Kalispell
17	Miller Precision Arms	Kalispell
18	Montana Bullet Works	Billings
19	Montana Gold Bullet	Kalispell
20	Montana Rifle Company	Kalispell
21	Montana Rifleman	Columbia Falls
22	NEMO Arms	Kalispell
23	OBUR Guns	Polaris
24	Proof Research	Columbia Falls
25	Shilo Sharps	Big Timber
26	Serengeti Rifles	Kalispell
27	Sharps Arms Co.	Big Timber
28	SI Defense	Kalispell
29	Small Arms Development & Testing	Fort Harris
30	The Blue Brothers	Missoula
31	The Hunting Shack Inc.	Stevensville
32	Western Powders Inc.	Miles City

Legislation

Montana has:

NO permitting to purchase Rifles, Shotguns, or Handguns.

NO registration of Rifles, Shotguns, or Handguns.

NO licensing of owners for Rifles, Shotguns, or Handguns.

NO permit to carry concealed handguns outside city or town limits.

The Montana State Constitution contains the provision "The right of any person to keep or bear arms in defense of his own home, person, and property, or in aid of the civil power when thereto legally summoned, shall not be called in question" Article 2, Section 12

Legislation

MONTANA FIREARMS FREEDOM ACT

30-20-104. Prohibitions.

A personal firearm, a firearm accessory, or ammunition that is manufactured commercially or privately in Montana and that remains within the borders of Montana is not subject to federal law or federal regulation, including registration, under the authority of congress to regulate interstate commerce. It is declared by the legislature that those items have not traveled in interstate commerce.

This section applies to a firearm, a firearm accessory, or ammunition that is manufactured in Montana from basic materials and that can be manufactured without the inclusion of any significant parts imported from another state. Generic and insignificant parts that have other manufacturing or consumer product applications are not firearms, firearms accessories, or ammunition, and their importation into Montana and incorporation into a firearm, a firearm accessory, or ammunition manufactured in Montana does not subject the firearm, firearm accessory, or ammunition to federal regulation. It is declared by the legislature that basic materials, such as un-machined steel and unshaped wood, are not firearms, firearms accessories, or ammunition and are not subject to congressional authority to regulate firearms, firearms accessories, and ammunition under interstate commerce as if they were actually firearms, firearms accessories, or ammunition.

The authority of congress to regulate interstate commerce in basic materials does not include authority to regulate firearms, firearms accessories, and ammunition made in Montana from those materials. Firearms accessories that are imported into Montana from another state and that are subject to federal regulation as being in interstate commerce do not subject a firearm to federal regulation under interstate commerce because they are attached to or used in conjunction with a firearm in Montana.

Legislation

MONTANA FIREARMS FREEDOM ACT

45-8-351. Restriction on local government regulation of firearms.

- (1) Except as provided in subsection (2), no county, city, town, consolidated local government, or other local government unit may prohibit, register, tax, license, or regulate the purchase, sale or other transfer (including delay in purchase, sale, or other transfer), ownership, possession, transportation, use, or unconcealed carrying of any weapon, including a rifle, shotgun, handgun, or concealed handgun.
- (2) (a) For public safety purposes, a city or town may regulate the discharge of rifles, shotguns, and handguns. A county, city, town, consolidated local government, or other local government unit has power to prevent and suppress the carrying of concealed or unconcealed weapons to a public assembly, publicly owned building, park under its jurisdiction, or school, and the possession of firearms by convicted felons, adjudicated mental incompetents, illegal aliens, and minors.
- (b) Nothing contained herein shall allow any government to prohibit the legitimate display of firearms at shows or other public occasions by collectors and others, nor shall anything contained herein prohibit the legitimate transportation of firearms through any jurisdiction, whether in airports or otherwise.

Legislation

MONTANA FIREARMS FREEDOM ACT

45-8-321. Permit to carry concealed weapon.

(1) A county sheriff shall, within 60 days after the filing of an application, issue a permit to carry a concealed weapon to the applicant. The permit is valid for 4 years from the date of issuance. An applicant must be a United States citizen who is 18 years of age or older and who holds a valid Montana driver's license or other form of identification issued by the state that has a picture of the person identified. An applicant must have been a resident of the state for at least 6 months. Except as provided in subsection (2), this privilege may not be denied an applicant unless the applicant: (please review issues of deniability at http://data.opi.state.mt.us/bills/mca/45/8/45-8-321.htm)

46-5-313. Firearm not to be destroyed.

If a firearm possessed by a law enforcement agency was not purchased by the agency for agency use, if it is legal for a private person to own and possess the firearm, and if the legal owner cannot be determined by the agency, the agency may not destroy the firearm and shall sell the firearm to a licensed dealer. The proceeds of the sale must be deposited in the general fund of the governmental entity of which the agency is a part.

70-24-110. Landlords and tenants -- no firearm prohibition allowed.

A landlord or operator of a hotel or motel may not, by contract or otherwise, prevent a tenant or a guest of a tenant from possessing on the premises a firearm that it is legal for the tenant or guest to possess. A landlord or operator of a hotel or motel may prohibit the discharge of a firearm on the premises except in self-defense.

Legislation

MONTANA FIREARMS FREEDOM ACT

- 10-3-114. Confiscation of firearm by government prohibited --private right of action --costs and expenses.
- (1) Following a declaration of an emergency or disaster pursuant to this chapter, a peace officer or other person acting or purporting to act on behalf of the state or a political subdivision of the state may not take a confiscation action. (2) After a violation of subsection (1) has occurred, the party injured by a confiscation action may bring an action for damages in a court having jurisdiction. (3) A party awarded damages pursuant to this section must also be awarded the party's costs and expenses in bringing the action, including reasonable attorney fees. (4) (a) As used in this section, "confiscation action" means the intentional deprivation by a person in Montana of a privately owned firearm. (b) The term does not include the taking of a firearm from a person:
- (i) in self-defense;(ii) possessing a firearm while the person is committing a felony or misdemeanor;or (iii) who may not lawfully possess the firearm because of a prior criminal conviction.

Taxes

MONTANA DEPARTMENT OF REVENUE No State Sales Tax, Period.

New or Expanding Industry Wage Credit

Eligibility: A new or expanding manufacturing corporation in Montana may receive a corporation license tax credit of 1% of wages paid to new employees.

Benefit: The total amount of the credit is 1% of the total wages paid to new employees. Credit is available during the first three years following initiation or expansion of the manufacturing operation.

Research and Development Firms Tax Exemption

Eligibility: Research and development firms organized to engage in the business in the state of Montana for the first time. Firms must file applications with the Department of Revenue before the end of the first calendar quarter during which the firm engages in business in Montana.

Benefit: All net income earned from research and development activities are exempt from corporate license tax during its first five taxable years of activity in Montana.

Credit for Increasing Research Activities

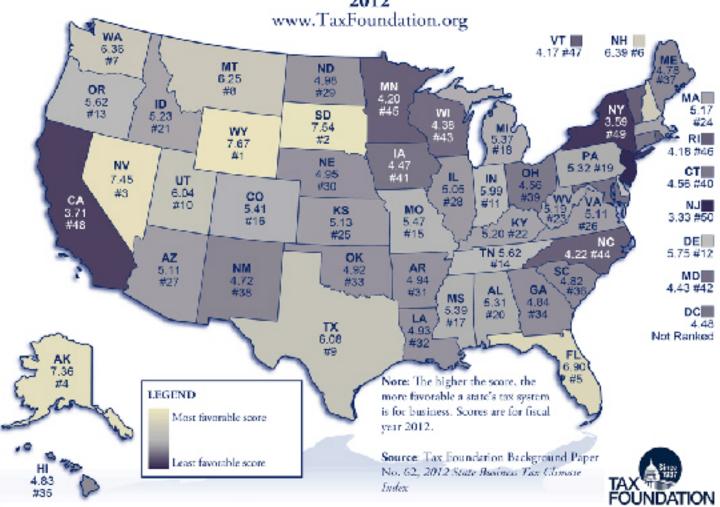
Eligibility: Individual, corporation, small business corporation, partnership, limited liability partnership or limited liability company.

Benefit: The credit is equal to 5% of the increase in qualified research expense and basic research payments for research in Montana. The credit is nonrefundable but maybe carried back two years and forward 15 years.

Taxes

Montana ranks 8th in the Tax Foundation's State Business Tax Climate Index. The Index compares the states in five areas of taxation that impact business: corporate taxes; individual income taxes; sales taxes; unemployment insurance taxes; and taxes on property, including residential and commercial property.

State Business Tax Climate Index



Business Funding

Montana West Economic Development, Cities of Columbia Falls, Kalispell & Whitefish Business Loans

For start-ups and business expansion to support job creation and retention. Both direct loans and bank co-lending available.

- Fixed rate financing
- 5 to 15 year amortization based on useful life of the financed assets
- Adequate collateral and cash flow coverage required
- · Minimal closing costs
- May require threshold wage requirements and payroll reporting for certain funding sources

Montana Board of Investment Loan Programs

- Maximum 15-year loan term
- 10-14 jobs created/retained qualifies for a loan rate at 4% for 5 years
- 15 jobs created/retained qualifies for a loan rate at 2% for five years, 10 14 jobs qualifies for 4%
- Interest rate set at 6% for 2nd 5 years, the Board posted rate at the time of application for the remaining term.
- Minimum loan size \$250,000-maximum loan size approximately \$7.5 million
- · Must be a basic sector or value-adding company.
- · Full credit review using Board underwriting policy

Big Sky Economic Development Trust Fund

Category | Job Creation Grant

- Can be used for equipment, land and building, lease reductions and relocation costs of physical assets for move to Montana.
- Must pay the county's average wage excluding benefit compensation (\$15.85).
- Must be a basic sector or value-adding company.
- Applications accepted at any time.
- For every \$7125 awarded the business must create one new position.
- Match requirement of one dollar for every two dollars of grant funds.

Category II Planning Grant

- A grant for planning activities such as business plans, feasibility studies, preliminary architectural reports (PARs), and preliminary engineering reports (PERs).
- Applications will be accepted on a quarterly basis.
- A business must be considered value-added and demonstrate future job creation.
- Up to \$25,000 is available per project.
- · Match requirement of one dollar for every one dollar of grant funds.

Business Funding

Workforce Training Grant

New Positions

- Up to \$5,000 grant/employee.
- Minimum compensation of \$13.00/hour including benefits.
- Training expenses are reimbursed upon the completion of training.
- Match requirement of one dollar for every three dollars of grant funds.

Existing Employees

Available to businesses with no more than 50 employees in the State and no more than 20 at any one location

- Funds may be used for approved training, travel or instructional materials.
- Training grant available to employees beyond the company's probationary period.
- Up to \$2000 available for full-time employees, \$1000 for part-time employees.
- Match requirement of one dollar for every four dollars of grant funds.

Bootstrap Montana

http://bootstrapmontana.com/

The Bootstrap Montana Loan Program provides Montana entre-preneurs with 0% loans of \$5,000 to \$20,000 for one year for projects which will provide fast return on investment. Funds are targeted for projects that have a direct effect on increasing sales. The Bootstrap Montana Loan Program is designed to provide funds for initiatives that will have a rapid and positive impact on sales or the competitiveness of a company. These loans are for marketing and sales related activities. Applicants should view these dollars as sales acceleration funding or a way to capitalize on sales or market opportunity that requires quick, but limited, financial investment.

Such uses of funds might be:

- To supplement the salary of a new high potential salesperson
- To attend a trade show at which orders will be taken
- · To purchase key prospect lists



MONTANA INFRASTRUCTURE MONTANA INFRASTRUCTURE

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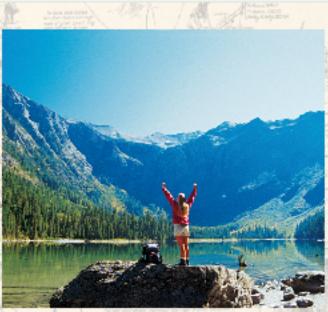
Natural Infrastructure

Montana is the 4th largest state totalling 92.7 million acres, with over 30 million acres for recreational use by sportsmen. Activities include hunting, camping, hiking, fishing, boating, skiing, snowmobiling, and more!

Green Spaces

Glacier & Yellowstone National Parks	1,170,451 Acres
U.S. Bureau of Land Management	7,995,368 Acres
U.S. Fish & Wildlife	906,846 Acres
U.S. Forest Service	16,847,888 Acres
Montana Dept. of Natural Resources & Conservation	5,143,095 Acres
Montana Fish, Wildlife & Parks	278,435 Acres
Water - Lakes, Rivers & Wetlands	1,021,016 Acres





ACCESS AND TRANSPORTATION

Source: Research and Innovative Technology Administration (RITA) and U.S. Department of Transportation

MONTANA FAST FACTS

Transportation System Extent

All public roads: 69,567 miles

Interstate: 1,191 miles Road bridges: 4,979

Class I railroad trackage: 2,277 miles

Public use airports: 118 (8 certificated for air carrier operations)

Vehicles and Conveyances

Automobiles registered: 467,000 Light trucks registered: 476,000 Heavy trucks registered: 16,000

Buses registered: 2,800 Motorcycles registered: 27,000 Numbered boats: 51,000

Geographic

Land area: 145,552 sq. miles (rank: 4)

Percent of land area owned by federal government: 27.62 (rank: 12)

Persons per square mile: 6.2 (rank: 48) Highest point: Granite Peak (12,799 ft.) Lowest point: Kootenai River (1,800 ft.)

Political Subdivisions

Counties: 56

Municipal governments: 1283 Congressional districts: 14

Demographic

Population: 902,195 (rank: 44)

Percent urban population: 535 (rank: 42)

Socioeconomic

Gross state product: \$21 billion2 (rank: 47) Civilian labor force: 479,0002 (rank: 44 Median household income: \$32,045 (rank: 46)

Commuting (percent of workers)

Car, truck, or van—drove alone: 75.1
Car, truck, or van—carpooled: 11.1
Public transportation (including taxi): 0.4

Walked: 5.7 Other means: 1.8 Worked at home: 5.9



If one page history dedicated to the Old Timers.



flathead | ECONOMIC | DEVELOPMENT | AUTHORITY

FLATHEAD VALLEY / GLACIER PARK REGION

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